

# Medicare Information Office

## Medicare Rx Insurance & YOU

### Alaska Options 2013



#### What is Part D coverage and how does it work?

Medicare prescription drug coverage, known as Medicare Part D, is prescription drug insurance provided by private insurance companies. Each company must offer a “standard” (basic) plan, but can also offer enhanced plans with additional coverage.

The plans change each year, so new information for 2013 is summarized in this publication.

In 2013, there will be many plan options. All are available statewide, and all are approved by Medicare. Like last year, there are no “Medicare Advantage” plans (also known as “Medicare Health Plans + Part D”) in Alaska; all Part D plans available for Alaskans are “Stand Alone” plans.

Each plan covers different drugs, and has different premiums, deductibles, co-pays and pharmacy networks.

#### Who can get Part D coverage? How and when do I enroll?

If you have Medicare Part A, Part B or both, you are eligible to have Medicare Part D.

Many people will first enroll in a Part D plan when they sign up for Medicare Part A and B. The initial Medicare enrollment period is the seven months around their 65th birthday: three months before, the month of, and three months after. People who are younger than 65 and have a qualifying disability typically receive a disability benefit for 24 months and then become eligible for Medicare.

There are additional Special Enrollment Periods for situations such as moving from one state to another, moving in or out of a nursing home, or losing employer coverage. Some people have prescription coverage from another source and might not need to get a Part D plan (see “Who might be thinking about skipping Part D.”)

For more information about Medicare enrollment timelines, contact Social Security at 1-800-772-1213, Medicare at 1-800-MEDICARE (633-4227), or Alaska’s Medicare Information Office, home of Alaska’s State Health Insurance Program (SHIP), at 1-800-478-6065.

To sign up for a Part D plan, first review available plans and pick one. You can get help choosing the plan that best meets your needs by calling the Alaska or national Medicare help lines (see the phone numbers above or at the bottom of the page). Next, enroll. You can enroll directly with the plan by phone or in some cases online. You can also enroll by phone through the Alaska or national Medicare lines, or online via [www.medicare.gov](http://www.medicare.gov).

#### Changing Part D plans - whether, when, and how

If you already have a Part D plan that is continuing into 2013 you don’t need to take any action to continue into 2013.

However, we recommend you evaluate all your options each

year because companies regularly change their plans:

- a plan that covered your prescriptions in 2012 may NOT cover them in 2013, and
- there may be new premiums and co-pays.

You can compare plans yourself at [www.medicare.gov](http://www.medicare.gov) or get help by calling Alaska’s Medicare Information Office or the national Medicare line.

You should have received an “Annual Notice of Change” from your Part D insurance provider by Sept. 30. This notice has information on the premiums and general changes, but it does **not** have to include changes about what drugs will be covered by the plan.

**You can enroll in or change your Part D plan from Oct. 15 through Dec. 7.** You can enroll 1) by phone, by calling the Alaska or national Medicare lines or the company offering your new plan choice; or 2) online at [www.medicare.gov](http://www.medicare.gov), or at the website of the company offering the plan you want.

Enrollments take effect on Jan. 1, 2013.



**It’s time to enroll or change your Medicare Part D plan!**

**Oct. 15 - Dec. 7**

#### Part D Standard Plan for 2013

The diagram on the next page shows the structure of what Medicare sets as a basic standard for 2013 plans. Each Part D insurer must offer a plan that is equivalent to this plan. They can also sell “enhanced” plans that have more generous coverage, usually for a higher premium. Few plans costs are identical to the basic standard, but overall they are financially equivalent.

#### Premiums, deductibles and co-payments

Your **premium** is the amount you pay each month for your Part D plan.

The **deductible** is the amount you have to pay at the beginning of the year for your medications before your insurance begins to pay its share.

**Co-payments** (co-pays) are the fixed amounts you must pay each time you fill a prescription. The size of the co-pay depends on what medication you purchase. Most insurers use a “tiered” system where co-pays are lowest for generics and highest for brand-name drugs. Each plan may also have “preferred” and “non-preferred” drugs with different co-pay amounts.

## Coverage Gap (also known as the Donut Hole)

The **coverage gap** has been a feature of the Part D Standard Plan since its beginning in 2006. It became known as the “donut hole” because it is a hole in coverage in the middle of your insurance. Because of health care reform, the coverage gap is shrinking and is due to be discontinued altogether by 2020. In 2013, more than half of the cost of brand name covered drugs will be paid for by the drug manufacturers during the coverage gap, and less than half will be paid for by the consumer. Medicare will pay 21 percent of the cost of generic drugs, and the consumer pays the other 79 percent.

### Formularies – which drugs are covered?

**Formularies** are the lists of drugs covered by drug insurance plans. If a drug is not on your plan’s formulary, you pay full price. Each plan will pay for some — but not all— brand-name and generic drugs in each therapeutic category. You will need to see if your drugs are on your plan’s 2013 formulary. If they are not, you will have to pay the full costs for those drugs. You should eliminate plan choices that don’t cover the majority of your prescriptions, especially more expensive brand-name drugs, or consider asking your doctor if you can be switched to drugs that are covered by your plan.

### Exclusions

Certain types of drugs or categories of drugs are not covered by Part D plans, including over-the-counter drugs, drugs for weight problems, fertility or sexual dysfunction, or cosmetic purposes. These are known as “exclusions.”

Benzodiazepines and barbiturates will be covered in 2013.

### Which pharmacies do you use?

Each insurer has a network of pharmacies where you can use your drug insurance. It is important to ensure that the pharmacy that you like to use is part of the network for the plan you choose. Drug purchases from out-of-network pharmacies cost more and may not count toward your out-of-pocket expenses. Generally, most prescription drug plans are accepted at large pharmacy chains. If you use an independent pharmacy, you should ask the pharmacy which Medicare prescription drug plans they accept. Most Medicare drug insurers also offer a mail order pharmacy option.

## Who might be thinking about skipping Part D?

### Alaskans who have employer or retiree drug insurance

If you have drug benefits through your or your spouse’s current employer plan or with a retiree plan, you may be able to keep your current coverage. If Medicare considers this coverage to be as good as or better than Medicare Part D (“creditable coverage”), you do not need to enroll in a Part D plan.

If you later lose that coverage, you can then enroll in a Part D plan without facing a penalty for late enrollment. Each year you should receive a notice regarding your coverage that confirms your coverage is “creditable.” Save this notice.

If you have not received a notice by mid-October, contact your benefits administrator to request one. It is important that you contact your benefits administrator before making ANY decisions regarding your prescription drug coverage. **If you choose a Part D plan outside your employer coverage, you could lose your employer health coverage entirely – ASK FIRST!**

### Alaskans who have coverage through Alaska Care, FEHBP, TRICARE for Life, Teamsters, Veterans or Tribal Health Services

If you have prescription drug benefits through a retiree health plan of yours or a spouse, such as the Federal Employees Health Benefits Program (FEHBP) or TRICARE for Life, you may enroll in Medicare prescription drug coverage, if you choose. However, the drug coverage through these plans is typically better than the Medicare prescription drug plan

## Part D Standard Plan for 2013

The amounts below do not include monthly premiums

**Deductible Zone**  
**Beneficiary Pays 100%**  
**Deductible ends at \$325 spent**

**Coverage Zone**  
**Beneficiary Pays 25% (plan pays 75%)**  
**Coverage ends at \$2,970 billed**  
*(This zone ends when total medication costs=\$2,970)*

**Coverage Gap (“Donut Hole”)**  
**Beneficiary pays 47.5% of brand-name drug costs & 79% of generic drug cost**  
**Gap (Hole) ends at \$4,750 spent in this zone**

**Catastrophic Coverage Zone**  
**Beneficiary pays 5% or less**  
**Plan pays 15% or more; Medicare pays 80%**

coverage. Review what your existing retiree health plan includes to be sure it covers prescriptions.

### Veterans and Tribal members who have Medicaid must enroll in a Medicare Part D plan.

You might want to enroll in a Medicare drug plan if you are eligible for the Social Security program Extra Help that helps pay prescription drug costs. You cannot receive the Extra Help through your Alaska Care, FEHBP or TRICARE for Life coverage. Extra Help may provide lower drug co-pays than your retiree plan.

If you have coverage through Veteran’s Affairs (VA) you can also sign up for Medicare. Medicare can’t be used in the VA system, but if you ever need to get care and prescriptions outside VA facilities, then Medicare can come in handy.

If you have coverage through a Tribal Health facility you have the option of getting your prescriptions through the Tribal Health facility and enrolling in a Medicare prescription drug plan. You can use both Tribal coverage and Medicare coverage at the same time, as your Tribal Health facility may bill the Medicare Plan. You can use your Medicare prescription drug coverage to receive Extra Help and can then fill prescriptions at pharmacies outside of the Tribal Health system.

### Alaskans who have little or no drug costs

If you currently have little or no drug costs, you may be thinking about not enrolling in Part D and using the marketplace to shop for medications when needed. Consider that, like any other insurance, Part D is designed to protect you now and in the future; most people can’t predict what their health care needs will be in six months.

**There are several disadvantages to delaying enrollment.** They include: 1) you risk not having the coverage if you need it; 2) after your first opportunity to enroll has passed, you will have to wait to enroll during the annual enrollment period (Oct. 15–Dec. 7, with an effective date of Jan. 1 the next year); 3) if you do enroll at a later date, you will likely have to pay a penalty for late enrollment.

## Alaska Medicare Rx Plans

**Data was obtained from the Medicare Website in October 2012. This information is subject to error. Please confirm all details with the insurer and keep your correspondence and records of your phone calls.**

### Alaska Medicare Rx Plans - 2013

Company Name & Contact Information	Plan Name & ID Number	Monthly Premium	M	Tiered Costs	Annual Deductible	Coverage in Gap
Aetna Medicare 1- 800-832-2640 www.aetanamedicare.com	Aetna Medicare Rx Essentials (S5810-068)	\$ 57.70		\$2-\$45, 25%-47%	\$325	None
Aetna Medicare	Aetna Medicare Rx Premier (S5810-204)	\$ 100.00		\$5-\$45,33%-50%	\$0	Many Gs, Some Bs
Cigna Medicare Rx 1-800-735-1459 www.cignamedicarerx.com	Cigna Medicare Rx Plan One (S5617-227)	\$ 43.20		\$0-\$52 ,25%	\$325	None
EnvisionRx Plus 1-866-250-2005 www.envisionrxplus.com	EnvisionRxPlus Gold (S7694-104)	\$ 54.50		\$2-\$25, 1%-30%	\$150	Some Gs
EnvisionRx Plus	EnvisionRxPlus Silver (S7694-034)	\$ 32.00	xxx	23%-28%	\$325	None
Express Scripts Medicare 1-866-477-5704 www.Express-ScriptsMedicare.com	Express Scripts Medicare - Choice (S5660-204)	\$ 81.40		\$8-\$95, 28%	\$200	Many Gs
Express Scripts Medicare	Express Scripts Medicare - Value (S5660-136)	\$ 50.90		\$4-\$6, 25%-45%	\$325	None
First Health Part D 1-877-815-8163 www.FirstHealthPartD.com	First Health Part D Premier (S5768-117)	\$ 36.40	xxx	\$1, 25%-39%	\$325	None
First Health Part D	First Health Part D Premier Plus (S5674-071)	\$ 89.70		\$0-\$25, 25%-50%	\$0	Some Gs, Some Bs
Health Markets Medicare 1-888-625-5531 www.hmic-medicare.com	Reader's Digest Value Rx (S0128-035)	\$ 34.10	xxx	\$1-\$29, 27%	\$325	None
HealthSpring Prescription Drug Plan 1-877-357-1685 www.myhealthspring.com	HealthSpring Prescription Drug Plan- Reg 34 (S5932-033)	\$ 35.60	xxx	25%	\$325	None
Humana Insurance Company 1-800-706-0872 www.humana-medicare.com	Humana Enhanced (S5884-094)	\$ 55.70		\$2-\$90, 33%	\$0	None
Humana Insurance Company	Humana Walmart-Preferred Rx Plan (S5884-116)	\$ 18.50	xxx	\$1-\$3, 20%-35%	\$325	None
SilverScript 1-866-552-6106 www.SilverScript.com	SilverScript Basic (S5601-068)	\$ 42.70		\$2, 21%-41%	\$325	None
SmartD Rx 1-855-976-2781 www.smartdrx.com	SmartD Rx Plus (S0064-069)	\$ 68.50		\$0-\$55, 25%	\$0	Some Gs
SmartD Rx	SmartD Rx Saver (S0064-034)	\$ 34.10	xxx	\$0-\$55, 25%	\$325	None
UniCare 1-877-541-7382 www.unicare.com/medicare	MedicareRx Rewards Standard (S5960-140)	\$ 55.40		\$2-\$85, 25%	\$325	None
United American Insurance 1-866-524-4169 www.uamedicarepartd.com	United American - Select (S5755-039)	\$ 46.50		\$1-\$95, 25%	\$325	None
UnitedHealthcare 1-888-867-5564 www.AARPMedicareRx.com	AARP MedicareRx Preferred (S5820-033)	\$ 41.10		\$3-\$85, 33%	\$0	None
UnitedHealthcare	AARP MedicareRx Enhanced (S5921-013)	\$ 108.50		\$2-\$76, 33%	\$0	Some Gs, Some Bs
UnitedHealthcare	AARP MedicareRx Saver Plus (S5921-377)	\$ 15.00	xxx	\$1-\$45, 25%	\$325	None
WellCare 1-888-293-5151 www.wellcarepdp.com	WellCare Classic (S5967-171)	\$ 37.70		\$8-\$82, 33%	\$0	None
WellCare	WellCare Extra (S5967-205)	\$ 39.00		\$0, 25%-50%	\$0	Many Gs

**Benchmark premium \$36.50 - this is the amount the State of Alaska subsidizes**

- **Monthly Premium:** The set monthly amount you pay regardless of what medications you purchase. You can pay the plan directly or have the monthly premium deducted from your Social Security retirement or disability benefit.
- **M:** Plans checked "XXX" under column M have a \$0 monthly premium for beneficiaries fully subsidized by Medicaid or Extra Help (Limited Income Subsidy). They have no deductible, lower copay amounts (\$1.10 to \$6.60) and no Coverage Gap period ("donut hole").
- **Tiered Co-pay:** Refers generally to the cost of Tier 1-generics, Tier 2- Brand name, Tier 3- non-preferred and Tier 4-Speciality Drugs. Always check with plans as there is variation.
- **Annual Deductible:** The amount you pay to the pharmacy before insurance begins to pay its share.
- **Coverage in Gap:** G=generic drugs; B = brand name drugs

# Help with costs: Extra Help, Medicare savings programs, Alaska Medicaid

## Extra Help for Part D Costs

Extra Help is a Social Security program that is available for people with limited income and resources. If you qualify, you can have a plan with limited or no premium, low or no deductible, lower co-pays for your prescriptions, and no coverage gap. You can also change plans during the year instead of waiting for the Annual Open Enrollment Period.

If you are a Medicaid recipient, or are on SSI, or get help from the Medicare Savings Program, you automatically qualify so no need to apply.

### Alaska 2012 qualifying income limits for Extra Help:

Single person	\$1,746.25/month (\$20,952 annually)
Couple	\$2,365/month (\$28,380 annually)

### 2012 asset/resource\* limits for Extra Help (may change in January 2013)

Single	Up to \$13,070
Couple	Up to \$26,120

- \* does count savings and investments
- \* does NOT count home you live in or car you drive
- \* does NOT count \$1,500/person for funeral or burial expenses

## How do I apply?

If you are on Medicare and Medicaid, and the state pays your Part B premium, or you get SSI, you should automatically qualify for Extra Help without having to do anything.

For others, the easiest and quickest way is to apply online at [www.benefitscheckup.org/Alaska](http://www.benefitscheckup.org/Alaska) or at [www.ssa.gov](http://www.ssa.gov). If you don't have access to a computer, you can call Alaska's Medicare Information Office, 1-800-478-6065.

## Medicare Savings Program, or SLMB

Another program that helps with Medicare costs is the Specified Low-Income Medicare Beneficiary (SLMB) program, also known as the Medicare Savings Program. It covers part of the monthly Part B premium cost, which was \$99.90 in 2012. The program is administered through Adult Public Assistance. For details and to apply, contact that office at 1-800-478-4372 or go to <http://hss.state.ak.us/dpa/forms/gen50b-packet.pdf>. Alaska's Medicare Information Office can also mail you the application.

## There is a penalty for late enrollment in Part D coverage

Even though Medicare Part D coverage is voluntary in the sense that you have to choose to enroll in it and pick a plan, there is a penalty for enrolling late if and when you finally do enroll. The penalty is based on how many months have passed since you first became eligible for the benefit, didn't enroll in it, and had no other source of creditable drug coverage. Once you do sign up for Part D, the penalty continues to be assessed on top of your Part D premiums for as long as you have Part D.

## MEDICARE FRAUD

### Protect yourself and Medicare from fraud. Look out for the following:

- Calls to your home asking for your personal information for "card renewal," "plan renewal," or "discount cards"
- Sales people who call or come to your door uninvited
- Suppliers who offer you free equipment
- Suppliers who want you to use their doctors
- Anyone you don't know asking for your Medicare or Social Security number
- Calls from companies you didn't give your phone number to

### Things to watch for on your Medicare Summary Notice (MSN) or billing statement:

- Charges unrelated to your condition or treatment
- Charges for services you did not get or on dates you didn't go anywhere
- Billing for the same thing twice
- Billing for services or supplies not ordered by your doctor

If you suspect Medicare fraud, call Alaska's Medicare Information Office (home of Alaska's Senior Medicare Patrol, or SMP) at 1-800-478-6065



## Do-it-yourself searches for plan comparisons

At [www.medicare.gov](http://www.medicare.gov) there is a wealth of information about Medicare. To do your own drug plan comparison click on "Find health & drug plans." Fill in the blanks on either a General or a Personalized Search. Enter your information in Steps 1 through 4, then enter your drug names. After completing your Drug List, review the list of plans that cover your prescriptions, the costs, and decide which plan is the best for you. If you need assistance, call the Alaska Medicare Information Office for online coaching.

To watch a video about using the online Medicare Plan Finder tool for comparing plans, go to [www.medicare.gov](http://www.medicare.gov). Click on "Find health & drug plans." Then click on "Watch Medicare Plan Finder Online Demo."